

# House File 589 - Enrolled

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HOUSE FILE 589

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AN ACT

1 4 RELATING TO THE PROPERTY TAXATION OF NURSING FACILITIES AND

1 5 INCLUDING EFFECTIVE AND APPLICABILITY DATE PROVISIONS.

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1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 9 Section 1. Section 427.1, subsection 14, unnumbered

1 10 paragraph 2, Code 2005, is amended to read as follows:

1 11 The assessor, in arriving at the valuation of any property

1 12 of the society or organization, shall take into consideration

1 13 any uses of the property not for the appropriate objects of

1 14 the organization and shall assess in the same manner as other

1 15 property, all or any portion of the property involved which is

1 16 leased or rented and is used regularly for commercial purposes

1 17 for a profit to a party or individual. If a portion of the

1 18 property is used regularly for commercial purposes, an

1 19 exemption shall not be allowed upon property so used and the

1 20 exemption granted shall be in the proportion of the value of

1 21 the property used solely for the appropriate objects of the

1 22 organization, to the entire value of the property. However,

1 23 the board of trustees or the board of directors of a hospital,

1 24 as defined in section 135B.1, may permit use of a portion of

1 25 the hospital for commercial purposes, and the hospital is

1 26 entitled to full exemption for that portion used for nonprofit

1 27 health-related purposes, upon compliance with the filing

1 28 requirements of this subsection. The property of a nursing

1 29 facility, as defined in section 135C.1, subsection 13, which

1 30 is exempt from federal income tax under section 501(c)(3) of

1 31 the Internal Revenue Code, and otherwise qualified, is

1 32 entitled to the full exemption of the property regardless of

1 33 the proportion of residents of the facility for whom the cost

1 34 of care is privately paid or paid under Title XIX of the

1 35 federal Social Security Act, upon compliance with the filing

2 1 requirements of this subsection.

2 2 Sec. 2. EFFECTIVE AND APPLICABILITY DATE. This Act, being

2 3 deemed of immediate importance, takes effect upon enactment

2 4 and applies to property taxes due and payable in fiscal years

2 5 beginning on or after July 1, 2005.

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CHRISTOPHER C. RANTS

Speaker of the House

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JOHN P. KIBBIE

President of the Senate

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2 18 I hereby certify that this bill originated in the House and

2 19 is known as House File 589, Eighty-first General Assembly.

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MARGARET THOMSON

Chief Clerk of the House

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2 24 Approved \_\_\_\_\_, 2005

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2 28 THOMAS J. VILSACK

2 29 Governor